

STUDIO CITY BUSINESS DISTRICT

A LOS ANGELES BID

Proposal for Renewal

September 1, 2017

Prepared for

**SCBD Board
& Renewal Committee**

Prepared by



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1 Why Hire Us?

- We understand BIDs inside and out
- We have a decade of experience inside City Hall, working directly with BIDs
- We have a decade of experience in the private sector, including BID management
- We have seven years of experience in BID formation, renewal and management consulting
- We are proactive
- We are accountable
- We are LA-based, and can draw upon 20 years of relationships across Los Angeles
- All client communication for this project will be directed to the firm President, who directly manages all incoming and outgoing work product internally within the firm
- Our clients LOVE us – please see select references, p. 10. We can provide more!
- Unlike many of our competitors, we take on a limited number of BID clients per year – this helps us avoid having too many clients with the same deadlines. We have budgeted internally for no more than three LA BIDs renewing for 2020 (Council approval in summer 2019.) Client agreements and/or our resources can change due to unforeseen issues, but our internal budgeting is typically quite accurate. Should your needs or our resources change in any way that would affect your project or its timing, we will proactively raise these issues and identify whatever resources are necessary to keep your project on track. We have a 100% success rate in mutually satisfactory client negotiations – if you're not happy, we're not happy.

2 Overview

Background: The Studio City Business District (SCBD) will sunset on December 31, 2019, unless renewed by a vote of their property owners. SCBD provides cleaning, landscaping, beautification, capital improvements and marketing from one landmark -- Sportman's Lodge/Hotel -- on the west, to another -- CBS Studio Center -- on the east. This approximately 20-block area reflects the commercial core of one of Los Angeles' most iconic neighborhoods: Studio City. The SCBD is home to longtime, well-known businesses such as Sportman's Lodge/Hotel, Art's Deli, Pinz Bowling, Kit Kraft and Du-pars, as well as a robust selection of other businesses that support local resident, employee and visitor needs. SCBD is comprised of two zones: Zone 1 includes all parcels fronting Ventura Boulevard, Laurel Canyon Boulevard or Ventura Place; Zone 2 includes all other parcels within the BID.

Project Scope: The City's requirements for the official BID property owner database, BID map, Management District Plan (MDP) and Engineer's Report (ER) evolve continuously in response to changes in law and/or best practices, which necessitates a rigorous overhaul of all documents. (For example, the "windshield survey" from your current 2015-2019 MDP is no longer used.) Renewal includes the following tasks:

- Verification/updates to BID parcels and their assessment data to obtain City approval for database (approx. 222 parcels)
- 2-4 Renewal Committee meetings and/or Board presentations to discuss any potential changes to boundaries, services, service levels hours and assessments/methodology in SCBD. One of these meetings could be a public meeting to seek input from property owners beyond the Renewal Committee if desired by the Client.
- The overhaul of the Management District Plan (MDP) and necessary updates to reflect all policy changes since the MDP was reviewed and approved in 2014
- The overhaul of the Engineer's Report (ER) and necessary updates to reflect all policy changes since the ER was reviewed and approved in 2014
- Creation of a new BID map
- Successful City review and approval of all four documents (typically 6-9 months and a minimum of three reviews by five staff, each conducted independently of one another.)
- Assistance with renewal-related marketing materials and handouts as needed
- Preparation of petitions and related materials if needed (petition package)
- Revisions to database and petitions throughout the petition stage as needed to reflect ongoing ownership and parcel changes
- Coordination with City Clerk, HCED Chair, Council President, and Council District 2 to effectuate scheduling and approval of:
 - o Ordinance of Intention
 - o Ordinance of Establishment
 - o Prop 218 Ballot Issuance

3 Budget

DISTRICT RENEWAL

NTE \$42,000 DEVINE STRATEGIES **(\$36,000 BASE + \$6,000 CONTINGENCY*)**

(for the Management District Plan & approx. 18 months of project management services)

+

NTE \$7,000 ENGINEER **(\$5,000 BASE + \$2,000 CONTINGENCY*)**

(for the Engineer's Report)

NTE \$49,000 TOTAL **(\$41,000 BASE + \$8,000 CONTINGENCY*)**

Proposed terms (all of these can be negotiated to the satisfaction of the Client)

- The project budget can be negotiated with refinement of tasks. Some of our clients like to take on more or less of the work themselves.
- Payment terms can be negotiated; however, we do require a retainer of \$9,000 (\$6,000 Devine Strategies / \$3,000 Ed Henning & Assoc) in order to reserve our services and commence work. As our BID contracting is seasonal/annual and we take on a limited number of BIDs, this retainer reserves your space in our client "queue" (we turn down clients once we reach our annual capacity.)
- This proposal presumes that any expansion discussions will be limited to fewer than 25 parcels and no new zones will be created. If the Client wishes to do so, Devine Strategies can undertake a more in-depth study of any expansion area/parcels early in the process, using contingency funding.
- This proposal presumes that SCBD will conduct the majority of the outreach required to obtain petition signatures and ensure that ballots are returned. Devine Strategies will provide full support for the production of petition packages, and provide revised petitions when necessary. We can provide research, guidance and/or direct outreach to property owners, if desired, using contingency funding.
- This proposal presumes that the Client delivers a master database that has been updated (as required by the BID-LA City contract) at least annually to reflect parcel and ownership changes (2015-2018 at minimum) since the last database approval by the City (which likely occurred during the first half of 2014.) If the database has not been maintained, upon receipt and examination, we will discuss it with Client and decide how to proceed (Client can update, a third-party firm can update, or we can update it and draw from the contingency. Most clients elect to have us either perform or manage database updates.) We strongly recommend you furnish us with your BID database by no later than January 2018 to ensure your on-time renewal. It should reflect changes captured during your preparation of the 2018 levy. Later in 2018, we will also need your 2019 levy and any proposed increase for 2020.
- Devine Strategies will be fully responsible for managing the subcontract for the engineering services.
- This rate is fully burdened.
- Mileage expenses are deemed included within this fee.
- Parking shall be billed at actual cost but shall not exceed \$150 for the entire scope of work without prior Client(s) approval. Copies of receipts shall be provided.
- Reasonable out-of-pocket expenses shall not exceed \$200 for the entire scope of work without prior Client approval. Likely expenses could include: presentation/meeting materials, large-scale maps, etc. In most instances, SCBD can/will procure such supplies unless otherwise negotiated.

- Printing & mailing costs (e.g. meeting announcements, petition packets, BID renewal letter) will be borne by SCBD unless otherwise negotiated.
- Printing for meetings will be performed by SCBD when delivered at least 2 business days in advance (Devine Strategies will take responsibility for any documents produced closer to meeting times.) Devine Strategies will provide all materials in an organized, ready-for-printing condition. For petition packages, we will provide clear instructions on assembly, including recommended materials/supplies.

Additional, possible out-of-pocket costs for SCBD related to formation that are not included in this proposal:

- Mailing costs (varies considerably depending on pieces mailed/weight and SCBD decisions)
- Printing and related office supplies (varies by number of property owners and SCBD decisions)
- Minor accounting support, primarily during budget (re)consideration process if applicable
- Legal support (rarely but occasionally desirable)

* The contingency exists to address three significant variables in the number of hours required to obtain approval for the renewed District: 1) the extent of the Client's changes to boundaries, service plan and assessments/methodology, 2) the extent of the City's review and changes to the database, MDP and ER (as the documents are wholly interdependent, any changes to one document trigger revisions to both of the other documents), and 3) the condition of the master database, the number of parcel and ownership changes and the extent of the updates required to obtain City approval. Historically speaking, our Los Angeles MDPs & ERs are 97% accepted/final after 3 rounds of edits; however, we consistently receive one or more additional rounds of late changes from the City which are usually not substantive in nature. Lastly, land use and ownership changes occur throughout the entire process, and, once recorded, we update the database, MDP and ER to reflect them.

4 Timeline

PHASE I

RECONSIDERATION OF PRIOR SCBD MDP & ER DECISIONS

September 2017 – February 2018

- SCBD Board of Directors vote to proceed and allocation of renewal funding
- Meeting(s) with the City Clerk, Council District 2 and Mayor's Office if/as needed
- Survey relevant land use changes in the Districts (informs assessment methodology/zones)
- Develop new maps and other visual aids if needed
- Identify the members of the SCBD Renewal Committee; hold 2-4 meetings to confirm or alter:
 - Boundaries
 - Services needed/desired (type, level, hours)
 - Assessment methodology
 - Service plan and budget
- During the Renewal Committee process, hold a public community outreach meeting for all property owners; seek wider input on current SCBD budget, service plan and assessments, use as opportunity to educate owners who are not knowledgeable about the BID (*if desired by client*)
- Document feedback and present to SCBD Renewal Committee and Board
- SCBD Renewal Committee and Board vote to proceed to with renewal, having identified specific boundaries, budget, service plan and assessments
- Client shall furnish most recent master database and 2018 levy (*asap*)

PHASE II

DOCUMENT PRODUCTION & CITY REVIEW

March 2018 – February 2019

- Reconcile and update SCBD master database of property owners and parcel data, including the addition of newly created parcels/removal of obsolete parcels (usually due to subdivisions), ownership changes, lot ties, added or removed building square footage and frontage, etc. (*no later than August 2018*)
- Overhaul the SCBD Management District Plan (MDPs) and Engineer's Report to reflect any Renewal Committee changes, as well as substantial changes in the City's policies.
- Submit new MDP and ER to City of LA for review/comments (*no later than August 2018*)
- Develop outreach/promotional materials for the petition stage
- Hold a public meeting to outline budget and service plan (if desired)
- Additional one-on-one meetings with major stakeholders (if desired)
- Develop the final database of property owners and parcel data
- Submit final draft MDP and Engineer's Report to City for review, changes and approval
- Client shall furnish 2019 levy (*asap*)

PHASE III

FORMATION: BID ADOPTION/RENEWAL

March 2019 – June 2019

- Official petition package preparation and mailing
- Petition collection/validation to required threshold: 50% + \$1 of total assessments
- Ordinance of Intention adopted by City Council and Mayoral concurrence
- City prepares ballots
- Ballot period (45 day minimum)
- City Council adoption and Mayoral concurrence (*prior to City Council summer recess*)

5 Consultant Qualifications

All work contained in this proposal shall be performed by, or under the supervision of President Tara Devine. Any work performed by any employee or subcontractor shall be reviewed and approved by the President. Ms. Devine shall serve as the primary Client liaison and shall give any public presentation requested by the Client.

Ms. Devine's decade of experience with the City of Los Angeles, combined with a decade of experience in the private sector, makes her uniquely qualified to help private sector clients successfully understand and negotiate the public sector, and to help translate private sector needs to the public sector. Her public sector experience includes ten years of service to three Los Angeles city elected officials in various economic development and planning capacities. Her private sector experience ranges from corporate experience to small business ownership to non-profit formation and management, including the management of three Los Angeles BIDs in a 100-block area. During this time, she was instrumental in the successful formation of a new BID, the successful renewal of another, and even the difficult, but correct, decision to not to renew the third.

Ms. Devine understands all aspects of how BIDs operate, including why they succeed or fail and how they can improve and thrive. She is a member of the International Downtown Association (IDA). She has been an active participant in LA BID Consortium and has supported advocacy efforts on behalf of LA BIDs, including the management of several successful projects for the LA BID Consortium.

As the founder and president of Devine Strategies, Ms. Devine focuses on developing successful long-term client relationships, even when consulting projects may be short-term. She specializes in entitlements, community and political outreach, and business improvement district consulting. Current and former clients include government agencies, multiple national retailers, property owners, business groups, business improvement districts and international consulting firms. Business Improvement District consulting, including formation, renewal and management consulting, is a particular and growing focus of the firm.

Ms. Devine is exceedingly proud to have lived in Los Angeles since 1994 and have worked in Los Angeles since 1997. She loves the history and diversity of LA and remains passionate about its future. Devine Strategies is a nearly seven year-old, Los Angeles-based, woman-owned, small business enterprise. The firm carries general liability insurance and maintains a current City of Los Angeles business license.

A list of our most relevant current and former client references follows.

6 Select References

Blair Besten, Historic Core BID

213-488-1901

blair@hdlabid.com

Blair is the longtime Executive Director of the Historic Core (of Downtown Los Angeles) BID. Blair and Devine Strategies are currently working on the renewal of the Historic Core BID for a new term beginning in 2019. One of the major issues for Historic Core is a longer-term look at the budget and possible changes at renewal: the Los Angeles minimum wage increases were not even contemplated at the last renewal, and year-to-year increases by the Board have not been sufficient to keep pace with rising labor costs. Firm President Tara Devine is helping staff and Board frame the issues and discuss options to address it at renewal.

Steve Heumann, Sidewalk Enterprises

310-392-4687

sheumann@sidewalkent.com

Steve Heumann is the CEO of Sidewalk Enterprises, a substantial property owner in Venice Beach. Steve, together with Mark Sokol, headed the Steering Committee for the Venice Beach BID formation effort (approved by LA City Council in late 2016.) He has had a “front row seat” for the exceptionally difficult formation in Venice, where all matters prove controversial. Steve has also served as the administrative and fiscal lead for the formation and is the Treasurer for the newly formed property owners’ association/District.

Estela Lopez, Central City East Association (CCEA)

213-228-8484

elopez@centralcityeast.org

Estela is the Executive Director of the Central City East Association, which administers the Downtown Industrial BID. CCEA is a former employer and a periodic consulting client. We most recently helped them with the renewal of the Downtown Industrial BID (2013-2014) and various public policy issues (2011-2014.) We have worked on more projects together than either of us could recall, and she has known President Tara Devine for fifteen years.

Jessica Lall, Central City Association (CCA)

213-416-7512

jlall@ccala.org

Jessica currently serves as the President and CEO of the Central City Association. She is the immediate past Executive Director of the South Park and South Park II BIDs, and the immediate past President of the LA BID Consortium, a peer group that meets monthly for BID staff and board members to share information and best practices. Jessica and Devine Strategies worked together for a majority of the period from January 2013 – October 2016. We assisted South Park with its last renewal in 2012 (just prior to her hiring.) During her tenure in South Park, we successfully established the new South Park II BID, which began services in 2016. SPII was timed to expire at the same time as South Park in order to facilitate their joint renewal as one BID in 2018. The combined SP BID successfully renewed in July 2017 under new South Park Executive Director Ellen Riotto.

Mark Sokol, Hotel Erwin & Larry's Restaurant

310-396-8464

mark@mphotel.com

Mark Sokol is the owner of Hotel Erwin and Larry's Restaurant in Venice Beach. Mark, together with Steve Heumann, headed the Steering Committee for the Venice Beach BID formation effort (approved by LA City Council in late 2016.) As someone who was wholly new to the process of BID formation, he can provide perspective on Devine Strategies' ability to communicate effectively with property owners and make BID formation accessible and understandable to those who are wholly unfamiliar with how BIDs work.

Additional references are available upon request.

Devine Strategies welcomes all prospective clients to contact the Office of the City Clerk, Neighborhood & Business Improvement District Division at 213-978-1099 to inquire about our work as a consultant to Los Angeles BIDs.